

General Assembly

Raised Bill No. 7126

January Session, 2017

LCO No. 4275



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by: (INS)

AN ACT CONCERNING TRANSPORTATION NETWORK COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- Section 1. (NEW) (Effective July 1, 2017) As used in this section and
- 2 sections 2 to 8, inclusive, of this act:
- 3 (1) "Digital network" means an Internet web site or software
- 4 application service that connects a passenger or prospective passenger
- 5 to transportation network company services.
- 6 (2) "Motor vehicle" has the same meaning as provided in section 14-
- 7 1 of the general statutes.
- 8 (3) "Motor vehicle in livery service" has the same meaning as
- 9 provided in section 13b-101 of the general statutes, as amended by this
- 10 act.
- 11 (4) "Taxicab" has the same meaning as provided in section 13b-95 of
- the general statutes, as amended by this act. "Taxicab" does not include
- 13 a transportation network vehicle.

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(5) "Transportation network company" means a company, including a corporation, partnership, trust, association, sole proprietorship or similar organization, that provides transportation network company services. "Transportation network company" does not include a taxicab or motor vehicle in livery service owner.

- (6) "Transportation network driver" means an individual who is not an employee of a transportation network company, but who uses a transportation network company's digital network and a transportation network vehicle to provide transportation network company services in return for compensation that exceeds any costs incurred by such individual in providing such services.
- (7) "Transportation network company services" means the transportation of a passenger between points chosen by the passenger and prearranged with a transportation network driver through the use of a transportation network company's digital network. "Transportation network company services" commence when a transportation network driver accepts a service request through a transportation network company's digital network, continue while the transportation network driver transports a passenger in a transportation network vehicle and end when the passenger exits the vehicle.
- (8) "Transportation network vehicle" means a motor vehicle owned, leased or otherwise used by a transportation network driver while such driver is using such vehicle to provide transportation network company services. "Transportation network vehicle" does not include a taxicab or motor vehicle in livery service.
 - Sec. 2. (NEW) (*Effective July 1, 2017*) (a) On and after January 1, 2018, each transportation network company shall register annually with the Commissioner of Transportation on a form prescribed by the commissioner. The commissioner shall design a registration form to include: (1) The transportation network company's name, business

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address and telephone number; (2) if the company is registered in another state, the name, address and telephone number of the company's agent for service of process in this state; (3) the name, address and telephone number of a person at the company who will serve as the main contact for communications between the commissioner and the company; (4) information sufficient to demonstrate, to the commissioner's satisfaction, that the company is in compliance with the provisions of this section and sections 3 to 5, inclusive, of this act; and (5) any other nonproprietary information required by the commissioner. Each registrant shall submit with each registration form filed under this section a nonrefundable fee of five thousand dollars.

(b) (1) Each transportation network company shall display to each potential passenger through its digital network a picture of the transportation network driver and the license plate number of the transportation network vehicle being used to provide transportation network company services, before such passenger enters such vehicle.

- (2) A transportation network driver shall display on the transportation network vehicle being used to provide transportation network company services a consistent and distinctive logo, insignia or emblem at all times when the transportation network driver is providing transportation network company services. Such logo, insignia or emblem shall be: (A) Sufficiently large so as to be readable during daylight hours at a distance of at least fifty feet; and (B) reflective, illuminated or otherwise visible in darkness.
- (c) (1) A transportation network company may charge a fare to a passenger for transportation network company services if the transportation network company discloses to the passenger through its digital network: (A) The fare calculation method; (B) the applicable rates being charged; and (C) an option to receive an estimated fare prior to entering the transportation network vehicle.

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(2) Within a reasonable period of time following the completion of transportation network company services, a transportation network company shall transmit an electronic receipt to the passenger that lists:

(A) The origin and destination of the trip; (B) the total time and distance of the trip; and (C) an itemization of the total fare paid, if any.

- (3) (A) For the purposes of this subdivision, "dynamic pricing" means offering transportation network company services at a price that changes according to the level of demand for such services.
- (B) If demand for transportation network company services is high, and the transportation network company elects to implement dynamic pricing, the transportation network company, through its digital network, shall: (i) Provide notice to a potential passenger that dynamic pricing is in effect prior to such passenger requesting transportation network company services; (ii) include a feature that requires a potential passenger to confirm that he or she understands that dynamic pricing will be applied before such request for services may be completed; and (iii) provide a fare estimator that enables the potential passenger to estimate the cost of such services under dynamic pricing prior to requesting such services.
- (C) Notwithstanding the provisions of subparagraph (B) of this subdivision, during the period of any emergency or disaster declared by the Governor or President of the United States, as described in section 42-230 of the general statutes, no transportation network company shall increase the price of transportation network company services to more than two and one-half times the usual price charged for such services at any other time.
- (d) (1) A transportation network company shall adopt a policy of nondiscrimination on the basis of age, color, creed, destination, intellectual or physical disability, national origin, race, sex, sexual orientation or gender identity with respect to passengers and potential passengers, and shall notify all transportation network drivers who

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use such company's digital network of such policy.

- (2) A transportation network company shall provide a potential passenger with an opportunity to indicate whether the potential passenger requires a transportation network vehicle that is accessible by wheelchair. If a transportation network company cannot arrange for a wheelchair-accessible transportation network vehicle to provide transportation network company services, the company shall direct the potential passenger to an alternate provider of wheelchair-accessible services, if available.
- (e) A transportation network company shall maintain: (1) Individual trip records for at least one year after the date transportation network company services were rendered; and (2) transportation network driver records for at least one year following the date on which such driver last accessed the company's digital network to provide transportation network company services.
 - (f) A transportation network company shall not disclose any passenger's personally identifiable information except pursuant to the publicly disclosed terms of such company's privacy policy, if any. For any disclosure not governed by a transportation network company's privacy policy, the company must obtain a passenger's consent before the company may disclose such passenger's personally identifiable information to any third party.
 - (g) A transportation network driver shall not transport, nor shall any transportation network company require that a transportation network driver transport, any passenger for more than sixteen consecutive hours within any twenty-four-hour period.
 - (h) Neither a transportation network company nor a transportation network driver is a common carrier, contract carrier or motor carrier. The commissioner shall not require a transportation network driver to register such driver's transportation network vehicle as a commercial vehicle.

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(i) The commissioner shall adopt regulations, in accordance with chapter 54 of the general statutes, to implement the provisions of this section.

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Sec. 3. (NEW) (Effective July 1, 2017) (a) Prior to permitting an individual to act as a transportation network driver on its digital network, a transportation network company shall: (1) Require the individual to submit an application to the company that includes the individual's name, address, age, operator's license number, as defined in section 14-1 of the general statutes, driving history record, motor vehicle registration and proof of financial responsibility, as required under section 4 of this act; (2) conduct, or have an accredited third party conduct, a state and national criminal history records check, including a search of state and national sexual offender registry databases, or arrange for the fingerprinting of the individual to be submitted to the Federal Bureau of Investigation for a national criminal history records check; and (3) disclose to such individual, electronically or in writing, (A) the insurance coverage, including the types of coverage and any coverage limits, that the company provides while a transportation network driver is connected to the company's digital network and providing transportation network company services, and (B) that a transportation network driver's personal automobile insurance policy might not provide coverage while such driver is connected to the company's digital network, available to receive requests for transportation network company services or providing such services.

(b) No transportation network company may hire an individual as a transportation network driver if such individual: (1) Has, during the three years prior to the date of such individual's application to be a transportation network driver, (i) more than three moving violations, as defined in section 14-111g of the general statutes, (ii) one serious traffic violation, as defined in section 14-1 of the general statutes, or (iii) had his or her license suspended pursuant to section 14-227a of the general statutes; (2) has been convicted, within seven years prior to the

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date of such individual's application to be a transportation network driver, of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, theft, acts of violence or acts of terror; (3) is listed in the state or national sexual offenders registry; (4) does not possess a valid operator's license; (5) does not possess proof of registration for each motor vehicle such individual proposes to use as a transportation network vehicle; (6) does not possess proof of financial responsibility as required under section 4 of this act for each motor vehicle such individual proposes to use as a transportation network vehicle; or (7) is not at least nineteen years of age.

- (c) A transportation network driver: (1) Shall comply with all applicable laws regarding nondiscrimination against passengers or potential passengers on the basis of age, color, destination, physical or intellectual disability, national origin, race, religious belief or affiliation, sex, sexual orientation or gender identity; (2) shall comply with all applicable laws relating to accommodation of service animals; (3) shall not impose additional charges for providing services to persons with physical disabilities because of such disabilities; and (4) may only accept rides booked through the transportation network company's digital network.
- (d) (1) A transportation network company shall implement a zero-tolerance policy on the use of drugs or alcohol while a transportation network driver is providing transportation network company services, or is connected to the company's digital network. Such company shall provide notice of its zero-tolerance policy on its digital network, and include procedures for a passenger to report a complaint about a transportation network driver whom the passenger reasonably suspects was under the influence of drugs or alcohol while rendering transportation network company services.
- (2) Upon receipt of a passenger complaint alleging a violation of such zero-tolerance policy, the transportation network company shall

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immediately suspend such driver's access to the company's digital network and conduct an investigation into the reported incident. The suspension shall last until completion of the investigation.

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- (3) The company shall maintain all records related to the enforcement of such zero-tolerance policy for a period of not less than two years from the date that a passenger complaint is received by the company.
- (e) A transportation network company shall implement a policy that prohibits a transportation network driver from providing transportation network company services when such driver's ability to operate a motor vehicle is impaired by illness, fatigue or any other condition that would likely preclude safe operation of a motor vehicle.
- 215 (f) The commissioner shall adopt regulations, in accordance with 216 chapter 54 of the general statutes, to implement the provisions of this 217 section.
- Sec. 4. (NEW) (*Effective July 1, 2017*) (a) A transportation network driver or transportation network company, or any combination thereof, shall maintain, on behalf of such driver, an automobile liability insurance policy for each transportation network vehicle used by such driver. Such policy shall: (1) Recognize that such driver is a transportation network driver; and (2) meet the minimum coverage requirements in subsection (b) of this section.
 - (b) (1) Each policy of the type specified in subsection (a) of this section shall meet the following requirements for any time during which a transportation network driver is connected to a digital network but not providing transportation network company services: (A) Such policy shall provide coverage sufficient to satisfy any claim for damages (i) by reason of personal injury to, or the death of, any one person, of at least fifty thousand dollars, (ii) by reason of personal injury to, or the death of, more than one person on account of any accident, of at least one hundred thousand dollars, and (iii) for damage

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to property of at least twenty-five thousand dollars; and (B) uninsured and underinsured motorist coverage that meets the minimum coverage requirements under section 38a-336 of the general statutes.

- (2) Each policy of the type specified in subsection (a) of this section shall meet the following requirements for any time during which a transportation network driver is providing transportation network company services: (A) Such policy shall provide coverage sufficient to satisfy any claim for damages (i) by reason of personal injury to, or the death of, any one person, of at least one million dollars, (ii) by reason of personal injury to, or the death of, more than one person on account of any accident, of at least one million dollars, and (iii) for damage to property of at least one million dollars; and (B) uninsured and underinsured motorist coverage that meets the minimum coverage requirements in section 38a-336 of the general statutes.
- (c) If a transportation network driver and a transportation network company maintain policies of the type specified in subsection (a) of this section, the policy maintained by the transportation network driver shall be the primary policy and the policy maintained by the transportation network company shall be the secondary policy.
- (d) (1) Each insurance policy of the type specified in subsection (a) of this section shall be written by an insurer licensed to write automobile liability insurance in this state or with a surplus lines insurer eligible pursuant to section 38a-741 of the general statutes that has a credit rating of not less than "A-" from A.M. Best, "A" from Demotech or a similar rating from another rating agency recognized by the Insurance Department.
- (2) Each insurer providing an insurance policy of the type specified in subsection (a) of this section shall disclose the applicable coverages, exclusions and limits provided under such policy upon request of (A) any person injured in person or property by or while transported in a motor vehicle operated by a transportation network driver; or (B) any

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insurer that receives a claim resulting from such injury.

- (e) (1) Each transportation network driver shall carry a current automobile insurance identification card, which may be in electronic form, disclosing, with respect to an insurance policy of the type specified in subsection (a) of this section: (A) The name of the insured; (B) the name of the insurer; (C) the policy number; (D) the effective date of coverage; (E) the year, make, model and vehicle identification number of the insured transportation network vehicle; and (F) the company code assigned to the insurer by the National Association of Insurance Commissioners.
- (2) A transportation network driver shall, upon request of a state or municipal police officer or any person injured in person or property by or while transported in a transportation network vehicle operated by such driver, disclose such automobile insurance card and whether such driver was connected to a digital network or providing transportation network company services at the time of any accident or collision resulting in injury to person or property.
 - (f) Any automobile liability insurance policy that satisfies the requirements of this section shall be deemed to satisfy the requirements of section 14-112 of the general statutes.
- (g) The Insurance Commissioner shall adopt regulations, in accordance with chapter 54 of the general statutes, to implement the provisions of this section.
- Sec. 5. (NEW) (Effective July 1, 2017) (a) An insurer licensed to write automobile liability insurance in this state may exclude all coverage afforded under a private passenger motor vehicle liability insurance policy for any loss or injury that occurs while a transportation network driver is connected to a transportation network company's digital network or providing transportation network company services. Any exclusion authorized under this subsection shall apply notwithstanding any requirements under chapter 246 or 700 of the

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- 296 general statutes.
- 297 (b) A transportation network company shall immediately disclose, 298 upon a request by any person injured in person or property by a 299 transportation network vehicle or any insurer that provides a policy of 300 the type specified in subsection (a) of this section: (1) The precise times 301 that the insured was connected to and disconnected from the 302 transportation network company's digital network in the twelve-hour 303 periods immediately preceding and following the loss or injury; and 304 (2) the applicable coverages, exclusions and limits of such policy.
- 305 (c) The Insurance Commissioner shall adopt regulations, in accordance with chapter 54 of the general statutes, to implement the provisions of this section.
- Sec. 6. (NEW) (*Effective July 1, 2017*) (a) For the purposes of this section, "certificate holder" means any person, limited liability company or corporation that holds a certificate of public convenience and necessity, as described in section 13b-97 of the general statutes, as amended by this act, or section 13b-103 of the general statutes, to operate a taxicab or a motor vehicle in livery service.
- 314 (b) A certificate holder shall not operate a taxicab or motor vehicle 315 in livery service as a transportation network vehicle.
- 316 (c) (1) Any certificate holder may, upon giving sixty days advance 317 written notice to the Commissioner of Transportation: (A) Convert to a 318 transportation network company; or (B) form a subsidiary or affiliate 319 transportation network company, provided such subsidiary or affiliate 320 shall be a separate association, limited liability company or corporation 321 from the certificate holder.
- 322 (2) If a certificate holder forms a subsidiary or affiliate 323 transportation network company under this subsection, such certificate 324 holder shall provide the commissioner with any information requested 325 by the commissioner that, in the commissioner's judgment, is

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- 326 necessary to ensure public convenience, protection and safety.
- 327 (3) A subsidiary or affiliate formed under subsection (b) of this 328 section shall be exempt from the provisions of chapter 244a of the 329 general statutes or chapter 244b of the general statutes, whichever is 330 applicable, and any regulations adopted thereunder.
- (d) (1) If a certificate holder converts to a transportation network company, such certificate holder's certificate of public convenience and necessity may be: (A) Sold or transferred under subsection (c) of section 13b-97 of the general statutes or subsection (c) of section 13b-103 of the general statutes, whichever is applicable; or (B) surrendered to the commissioner.
- 337 (2) A certificate holder that sells, transfers or surrenders its 338 certificate of public convenience and necessity to convert to a 339 transportation network company shall be exempt from the provisions 340 of chapter 244a of the general statutes or chapter 244b of the general 341 statutes, whichever is applicable, and any regulations adopted 342 thereunder.
 - (e) The commissioner shall adopt regulations, in accordance with chapter 54 of the general statutes, to implement the provisions of this section.

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Sec. 7. (NEW) (Effective July 1, 2017) (a) The Department of Transportation shall conduct a study to: (1) Identify the most suitable means of implementing and funding a pilot program to promote transportation services that are (A) provided by owners of motor vehicles in livery service, taxicab owners and transportation network companies, and (B) accessible by physically disabled persons; (2) examine the viability and impact of implementing a per-trip surcharge on owners of motor vehicles in livery service, taxicab owners and transportation network companies to fund the pilot program; (3) examine means of reimbursing, or providing incentives to, owners of motor vehicles in livery service, taxicab owners and transportation

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network companies for costs associated with converting existing motor vehicles to wheelchair-accessible motor vehicles or purchasing wheelchair-accessible motor vehicles; and (4) examine means of providing compensation incentives to drivers of motor vehicles in livery service, taxicab drivers and transportation network drivers who allot sufficient time to assist physically disabled persons in boarding motor vehicles in livery service, taxicabs and transportation network vehicles.

(b) Not later than February 1, 2018, the Commissioner of Transportation shall submit a preliminary report, in accordance with the provisions of section 11-4a of the general statutes, on the study performed under subsection (a) of this section to the joint standing committee of the General Assembly having cognizance of matters relating to transportation.

- (c) Not later than January 3, 2019, the commissioner shall submit a final report, in accordance with the provisions of section 11-4a of the general statutes, on the study performed under subsection (a) of this section to the joint standing committee of the General Assembly having cognizance of matters relating to transportation. Such report shall include the commissioner's recommendations for legislation to implement the pilot program described in subsection (a) of this section.
- Sec. 8. (NEW) (*Effective July 1, 2017*) Any person who (1) operates a transportation network vehicle without registering with the commissioner under section 2 of this act, (2) provides transportation network company services without using a transportation network company's digital network, or (3) is not registered as a transportation network driver under section 2 of this act, authorized to operate a taxicab under chapter 244a of the general statutes or authorized to operate a motor vehicle in livery service under chapter 244b of the general statutes and provides for-hire transportation in a personal motor vehicle for compensation that exceeds the cost of such transportation, shall be guilty of a class A misdemeanor.

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Sec. 9. Subsection (a) of section 13b-97 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July* 1, 2017):

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(a) No person, association, limited liability company or corporation shall operate a taxicab until such person, association, limited liability company or corporation has obtained a certificate from the Department of Transportation certifying that public convenience and necessity require the operation of a taxicab or taxicabs for transportation of passengers, the acceptance or solicitation of which originates within the territory specified in such certificate except as provided under subsection (d) of this section. No such certificate shall be issued unless the department finds that the person, association, limited liability company or corporation is suitable to operate a taxicab service, after giving due consideration to, at a minimum, the following factors: (1) Any convictions of the applicant under federal, state or local laws relative to safety, motor vehicle or criminal violations; (2) the number of taxicabs to be operated under the certificate, provided no applicant for a new certificate shall operate fewer than three taxicabs; (3) the adequacy of the applicant's financial resources to operate the taxicab service; (4) the adequacy of insurance coverage and safety equipment; and (5) the availability of qualified taxicab operators. The commissioner shall request the state criminal history records check for any person or any officer of any association, limited liability company or corporation applying for such certificate from the State Police Bureau of Identification. The commissioner shall [arrange for the fingerprinting of any person or any officer of any association, limited liability company or corporation applying for such certificate and forward the fingerprints to said bureau which shall submit the fingerprints conduct, or have an accredited third party conduct, a state and national criminal history records check, including a search of the state and national sexual offender registry databases, or may arrange for the fingerprinting of such person or officer to be submitted to the Federal Bureau of Investigation for a national criminal history

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records check for any federal conviction specified in subdivision (1) of this subsection. The commissioner shall charge a fee for each such national criminal history records check which shall be equal to the fee charged by the Federal Bureau of Investigation for performing such check. Such certificate shall be issued only after written application, fingerprinting [and] or said criminal history records check for the same has been made and public hearing held thereon. The application shall be accompanied by a fee of two thousand dollars and the fee for said criminal history records check. Upon receipt of such application, the department shall fix a time and place of hearing thereon, provided such hearing shall be held not earlier than three months after such receipt, and shall promptly give written notice of the pendency of such application and of the time and place of hearing thereon to such applicant, the mayor of each city, the warden of each borough or the first selectman of each town in which the applicant desires to originate the transportation of such passengers, and to any common carrier operating within the territory specified. Notwithstanding any provision of this subsection, [to the contrary,] the department may, upon receipt of a written application, amend an existing certificate to increase the number of taxicabs which may be operated pursuant to the certificate without holding a hearing on the application, provided the department issues a legal notice of such application in a daily newspaper in accordance with the provisions of section 1-2, gives written notice of the pendency of such application to any common carrier operating within the territory specified and no objection is filed with the department within thirty days of each such notice.

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Sec. 10. Section 13b-95 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

The term "taxicab" includes any motor vehicle operated upon any street or highway or on call or demand accepting or soliciting passengers indiscriminately for transportation for hire between such points along streets or highways as may be directed by the passenger or passengers being transported, provided nothing in this chapter shall

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be construed to include, as a taxicab, a motor bus, as defined in section 14-1, [or] a motor vehicle in livery service when such motor vehicle is hired for a specific trip or trips and is subject to the direction of the person hiring the same, or a motor vehicle operated by a transportation network driver, as defined in section 1 of this act.

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Sec. 11. Section 13b-101 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

The term "motor vehicle in livery service" includes every motor vehicle used by any person, association, limited liability company or corporation which represents itself to be in the business of transporting passengers for hire, except (1) any motor bus and any taxicab operated under a certificate of public convenience and necessity issued by the Department of Transportation, (2) any school bus, as defined in section 14-275, or student transportation vehicle, as defined in section 14-212, when used for the transportation of children under the age of twentyone years, (3) any school bus, as defined in section 14-275, when used for the transportation of passengers (A) by virtue of a contract with any public or private institution of higher education, (B) pursuant to a contract for service to a special event held at a location or facility which is not open for business on a daily basis throughout the year, not to exceed a period of ten days, or (C) pursuant to a contract with a municipality for which the carrier provides school transportation service, (4) any motor vehicle operated by or through a communitybased regional transportation system for the elderly established pursuant to section 55 of public act 05-280, [and] (5) any motor vehicle operated by or through a community-based regional transportation system for the visually impaired, and (6) any motor vehicle operated by a transportation network driver, as defined in section 1 of this act.

This act shall take effect as follows and shall amend the following			
sections:			
Section 1	July 1, 2017	New section	
Sec. 2	July 1, 2017	New section	

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Sec. 3	July 1, 2017	New section
Sec. 4	July 1, 2017	New section
Sec. 5	July 1, 2017	New section
Sec. 6	July 1, 2017	New section
Sec. 7	July 1, 2017	New section
Sec. 8	July 1, 2017	New section
Sec. 9	July 1, 2017	13b-97(a)
Sec. 10	July 1, 2017	13b-95
Sec. 11	July 1, 2017	13b-101

Statement of Purpose:

To regulate the operations of and insurance requirements for transportation network companies.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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